



## OFFICE OF GOVERNOR MARK DAYTON

[www.mn.gov/governor](http://www.mn.gov/governor) | January 2013

# Minnesota Global Competitiveness Initiative

## Increasing Exports and Foreign Direct Investment

**Minnesota needs to compete in a 21<sup>st</sup> Century global economy. Governor Dayton's budget would fund a \$1.5 million Global Competitiveness Initiative to increase exports and foreign direct investment in Minnesota. The initiative would: 1) establish three new trade offices in foreign markets; 2) increase funding for a grant program that helps small businesses participate in trade activities; and 3) fund a new marketing effort to better-communicate the benefits of doing business in Minnesota.**

### Minnesota Trade Offices in Foreign Markets

The Minnesota Global Competitiveness Initiative would invest \$540,000 in opening three new offices in key foreign markets selected for their potential to increase exports and attract foreign direct investment. These offices would serve as a connection point for Minnesota companies seeking opportunities in foreign markets, and develop trade missions within each country.

- » **Minnesota Needs to Compete.** Thirty-seven of 50 states have overseas trade offices; Minnesota currently has one foreign trade office located in Shanghai, China.
- » **When We Invest, Our Exports Increase.** When Minnesota's Shanghai office opened in 2005, our state saw a 71 percent increase in exports to China in just one year.
- » **The Return on Investment Can Be Huge.** In 2011 Pennsylvania invested \$6 million in its 10 foreign trade offices, producing \$831 million in export sales and over 6,800 jobs.

### MN STEP Grants

The Minnesota Global Competitiveness Initiative would provide \$600,000 for Minnesota STEP grants to qualifying small businesses in Minnesota with an active interest in exporting products or services to foreign markets. Participants may be first-time exporters or companies that are already exporting but are interested in expanding into new international markets.

- » **Real Assistance to Help Small Businesses Export Products.** Small businesses may apply for reimbursement of up to \$7,500 for approved export development activities.
- » **We Need to Act Now.** Minnesota currently has federal funding for STEP grants. These funds are in jeopardy and state funding is needed to continue this successful program.

### Marketing Minnesota

It is critical to ensure existing businesses and those located outside our borders understand the benefits of doing business in Minnesota. The Minnesota Global Competitiveness Initiative invests \$360,000 for marketing efforts that better-communicate the benefits of doing business in Minnesota.